

APR 20 2011

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
OFFICE OF THE STATE AUDITOR  
STATE OF MONTANA

IN THE MATTER OF:

CASE NO. INS-2009-80

INTERNATIONAL ASSOCIATION OF  
BENEFITS,  
701 Highlander Boulevard, Suite 400  
Arlington, TX 76015  
in its capacity as an unlicensed producer  
and TPA;

FAIRMONT PREMIER INSURANCE CO.  
5 Christopher Way  
Eatontown, NJ 07724  
in its capacity as an authorized insurer; and

UNITED STATES FIRE INSURANCE  
COMPANY  
305 Madison Avenue  
Morristown, NJ 07962  
in its capacity as an authorized insurer,

Respondents.

FINAL AGENCY ORDER ADOPTING  
CONSENT AGREEMENTS AND  
DISMISSING TEMPORARY CEASE  
AND DESIST ORDER

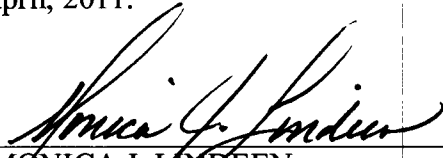
The Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), having considered the Motion to Adopt the Consent Agreements and to Dismiss the Temporary Cease and Desist Order by the Insurance Department of the office of the Commissioner of Securities and Insurance (Department), pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101, *et seq.*, and upon review of the Consent Agreements, the Commissioner finding good cause, therefore, hereby issues the following:

**ORDER**

IT IS HEREBY ORDERED that the Consent Agreement between the Department and Respondents Fairmont Premeir Insurance Company and United States Fire Insurance Company,

Exhibit A, is adopted as if set forth fully herein; the Consent Agreement between the Department and Respondent International Association of Benefits, Exhibit B, is adopted as if set forth fully herein; and the temporary cease and desist order is hereby dismissed.

SO ORDERED this 20<sup>th</sup> day of April, 2011.

  
\_\_\_\_\_  
MONICA J. LINDEEN  
Commissioner of Securities and Insurance, the  
Montana State Auditor

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on the 21<sup>st</sup> day of April, 2011, by US mail, first-class postage paid, to the following:

International Association of Benefits  
701 Highlander Boulevard, Suite 400,  
Arlington, Texas, 76015

Fairmont Premier Insurance Company  
5 Christopher Way  
Eatontown NJ 07724

United State Fire Insurance Company  
305 Madison Avenue  
Morristown, NJ 07962

  
\_\_\_\_\_

ROBERTA CROSS GUNS  
Office of the Commissioner of Securities and Insurance  
Montana State Auditor  
840 Helena Avenue  
Helena, MT 59601  
406-444-2040  
406-444-3499 (fax)  
[rcrossguns@mt.gov](mailto:rcrossguns@mt.gov)

Attorney for Securities and Insurance Departments

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE  
OFFICE OF THE STATE AUDITOR  
STATE OF MONTANA

IN THE MATTER OF:	)	CASE NO. INS-2009-80
	)	
INTERNATIONAL ASSOCIATION OF	)	CONSENT AGREEMENT
BENEFITS,	)	
701 Highlander Boulevard, Suite 400	)	
Arlington, TX 76015	)	
in its capacity as an unlicensed producer	)	
and TPA;	)	
	)	
FAIRMONT PREMIER INSURANCE CO.	)	
5 Christopher Way	)	
Eatontown, NJ 07724	)	
in its capacity as an authorized insurer; and	)	
	)	
UNITED STATES FIRE INSURANCE	)	
COMPANY	)	
305 Madison Avenue	)	
Morristown, NJ 07962	)	
in its capacity as an authorized insurer,	)	
	)	
Respondents.	)	

This Consent Agreement dated this 11 day of April, 2011, is between the Montana Insurance Department (Department), acting pursuant to the authority of the Insurance Code of Montana, Mont. Code Ann. § 33-1-101 *et seq.* (Code) and Respondents Fairmont Premier Insurance Company and United States Fire Insurance Company (Insurers).

## **RECITALS**

WHEREAS, the Department performed an investigation of information provided to it by a complaining customer that represents the basis for specific claims against Insurers and found evidence to support filing an administrative action against Insurers; and

WHEREAS, the Department and Insurers agree that the parties' best interests would be served by entering into the following specific agreement and undertakings set forth below.

NOW, THEREFORE, in consideration of the mutual undertakings established herein, the Department and Insurers, as the parties hereto, enter into the following:

## **AGREEMENT**

A. While Respondents deny the claims outlined in the Department's Notice of Proposed Agency Disciplinary Action (Agency Action) dated May 4, 2010 (attached hereto as Exhibit A), Respondent Insurers nonetheless hereby stipulate and consent to the following:

1. Respondent Insurers shall pay a fine of \$5,000 with \$2,500 suspended for a period of one year and dependent on compliance with the terms of this agreement. The portion of the fine not suspended (\$2,500) is due and payable upon signing of this agreement.

2. Respondent Insurers agree to cease issuing their mini-med plans in Montana unless these plans are offered through a bona fide association as defined by the Code. Any current Montana customers Respondent Insurers have obtained through IAB will be allowed to continue with those policies, but will have all contact regarding any insurance issues directly through Respondent Insurers, alleviating IAB of any real or perceived responsibility to these customers.

3. Respondent Insurers will offer to refund any premium paid by current Montana customers who wish to cancel. The offer will be made in writing and the letter and list of

Montana customers will be provided to and approved by the Department. The letter will indicate the customer has 30 days to either accept or reject the offer of refund.

4. Respondent Insurers shall comply with the terms and conditions of this Consent Agreement and with the insurance laws and regulations of Montana.

5. The statute of limitation is tolled for one year from the date of consummation of this consent agreement with regard only to the allegations set forth in the Department's Agency Action. In the event Respondents violate the terms of this consent agreement during the one-year period, Respondents shall pay a fine to the Commissioner of Securities and Insurance of the Office of the State Auditor's Office in the amount of \$5,000.

B. The parties agree and stipulate as follows:

1. The Department and Respondents agree that this Consent Agreement shall be incorporated and made a part of the attached Final Order issued by the Commissioner herein.

2. Respondents fully and forever release and discharge the Department, the Commissioner of Securities and Insurance of the Office of the State Auditor (CSI), and all CSI employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

C. Based on the foregoing consents and stipulations by Respondents, the Department agrees as follows:

1. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Department hereby agrees that the Department will not initiate any civil,

administrative, or criminal action against Respondent regarding the allegations contained in the Department's Agency Action.

2. The Department shall move for dismissal of the Temporary Cease and Desist Order upon the signing of this agreement.

DATED this 20<sup>th</sup> day of April, 2011.

Roberta Cross Guns  
ROBERTA CROSS GUNS  
Attorney for the Insurance Department

DATED this 11 day of April, 2011.

United States Fire Insurance Company  
Fairmont Premier Insurance Company

By: Simon Mathy  
Title: VICE PRESIDENT

STATE OF New Jersey )  
County of Monmouth ) ss.

SUBSCRIBED AND SWORN to before me this 11 day of April, 2011.

(SEAL)

Javonne McMoore  
Printed Name: JAVONNE McMOORE  
Notary Public for the State of NEW JERSEY  
Residing at \_\_\_\_\_  
My commission expires JAVONNE Mc MOORE  
**NOTARY PUBLIC OF NEW JERSEY**  
**MY COMMISSION EXPIRES AUGUST 3 2013**

ROBERTA CROSS GUNS  
Office of the Commissioner of Securities and Insurance  
Montana State Auditor  
840 Helena Avenue  
Helena, MT 59601  
406-444-2040  
[rcrossguns@mt.gov](mailto:rcrossguns@mt.gov)

Attorney for Securities and Insurance Departments

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OFFICE OF THE STATE AUDITOR  
STATE OF MONTANA

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IN THE MATTER OF:	)	CASE NO. INS-2009-80
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BENEFITS,	)	
701 Highlander Boulevard, Suite 400	)	
Arlington, TX 76015	)	
in its capacity as an unlicensed producer	)	
and TPA;	)	
	)	
FAIRMONT PREMIER INSURANCE CO.	)	
5 Christopher Way	)	
Eatontown, NJ 07724	)	
in its capacity as an authorized insurer; and	)	
	)	
UNITED STATES FIRE INSURANCE	)	
COMPANY	)	
305 Madison Avenue	)	
Morristown, NJ 07962	)	
in its capacity as an authorized insurer,	)	
	)	
Respondents.	)	

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Consent Agreement dated this 13 day of December, 2010, between the Montana Insurance Department (Department), acting pursuant to the authority of the Insurance Code of Montana, Mont. Code Ann. § 33-1-101 *et seq.* (the Code) and Respondent International Association of Benefits (IAB).

### RECITALS

WHEREAS, the Department performed an investigation of information provided to it by a complaining customer that represents the basis for specific claims against IAB and found evidence to support filing an administrative action against IAB.

WHEREAS, the Department and IAB agree that the parties' best interests would be served by entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and IAB, as the parties hereto, enter into the following:

### AGREEMENT

A. While Respondent denies the claims outlined in the Department's Notice of Proposed Agency Disciplinary Action (Agency Action) dated May 4, 2010, (attached hereto as Exhibit A), Respondent nonetheless hereby stipulates and consents to the following:

1. Respondent shall pay for the reasonable administrative costs associated with this case totaling \$3,500.00, due and payable upon signing of this agreement.
2. Respondent shall refrain from soliciting memberships in Montana without fully complying with all applicable laws.
3. Respondent shall comply with the terms and conditions of this Consent Agreement and with the insurance laws and regulations of Montana, including maintaining current name and contact information for a compliance officer overseeing any pharmacy discount cards still in effect in Montana.
4. The Statute of Limitation is tolled for one year from the date of consummation of this consent agreement with regard only to the allegations set forth in the Department's Agency Action. In the event Respondent violates the terms of this consent agreement during the one-



year period, Respondent shall pay a fine to the Commissioner of Securities and Insurance of the Office of the State Auditor's Office in the amount of \$5,000.

B. The parties agree and stipulate as follows:

1. The Department and Respondent agree that this Consent Agreement shall be incorporated and made a part of the attached Final Order issued by the Commissioner herein.


2. Respondents fully and forever release and discharge the Department, the Commissioner of Securities and Insurance of the Office of the State Auditor (CSI), and all CSI employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

C. Based on the foregoing consents and stipulations by Respondent, the Department agrees as follows:

1. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Department hereby agrees that the Department will not initiate any civil, administrative, or criminal action against Respondent regarding the allegations contained in the Department's Agency Action.

2. The Department shall move for dismissal of the Temporary Cease and Desist Order upon the signing of this agreement.

DATED this 20<sup>th</sup> day of December 2010.

  
\_\_\_\_\_  
ROBERTA CROSS GUNS  
Attorney for the Insurance Department

DATED this 13<sup>th</sup> day of December 2010.

INTERNATIONAL ASSOCIATION OF BENEFITS

By:

Title:

James D. Clark  
President

STATE OF

TEXAS

)

County of

TARRANT

) ss.

SUBSCRIBED AND SWORN to before me this 13 day of December, 2010.



Printed Name:

Lois A. Nix  
LOIS A. NIX

Notary Public for the State of

Residing at

My commission expires

TEXAS

2801 NORTHSORE

7-19-2012